

THE IMPACT OF RACE ON W-2 SANCTIONS 2004 UPDATE

Background: The *Wisconsin Works (W-2) Sanctions Study* (2004) examined racial disparities in benefit reduction sanctions in the W-2 program for the 2000-2003 time period. The major findings from that study were:

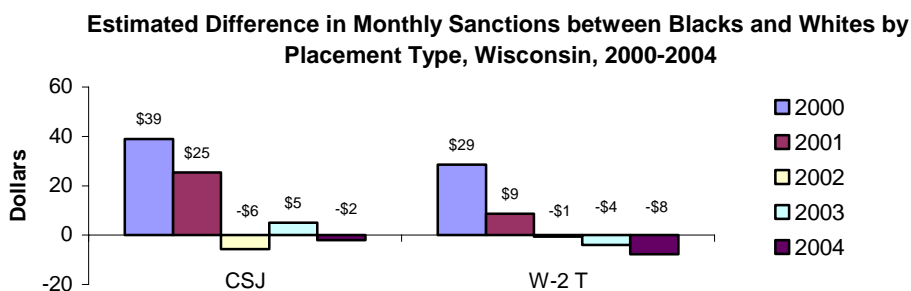
- Black participants were sanctioned at a higher rate than white participants; disparities generally declined during the 2000-2003 time period.
- Racial disparities were higher for persons in Community Service Job (CSJ) placements than for those in W-2 Transition (W-2 T) placements
- The decline in disparities occurred primarily in Milwaukee County; disparities remained larger in the balance of the state.

2004 Update: Based on the recommendation of the steering committee that guided the original study, the study's regression analysis was updated using 2004 data. Differences in monthly sanction amounts by race/ethnicity were estimated from the regression analysis, taking into account the effect of other participant and family characteristics, such as age, education, family size, on sanction amounts.

Black-White Differences

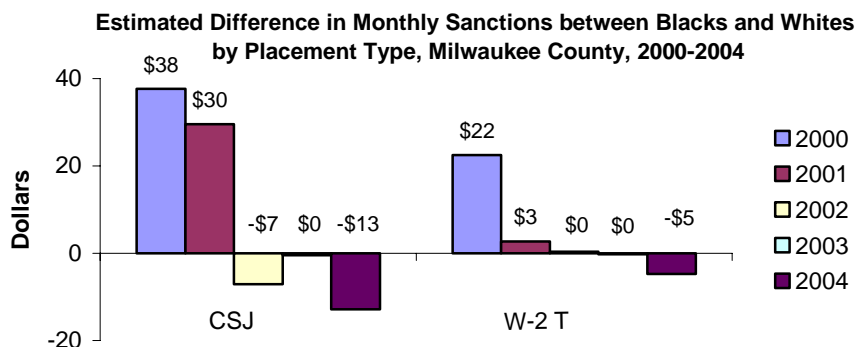
Wisconsin:

- In 2000, the monthly sanction for black CSJ participants was \$39 more than the amount for whites. By 2004, there was almost no difference between black and whites; blacks were sanctioned \$2 less than whites.
- In 2000, the difference in the monthly sanction amounts between black and white W-2 T participants was \$29. Since 2002, sanction amounts for black W-2 T participants have been lower than those of whites.



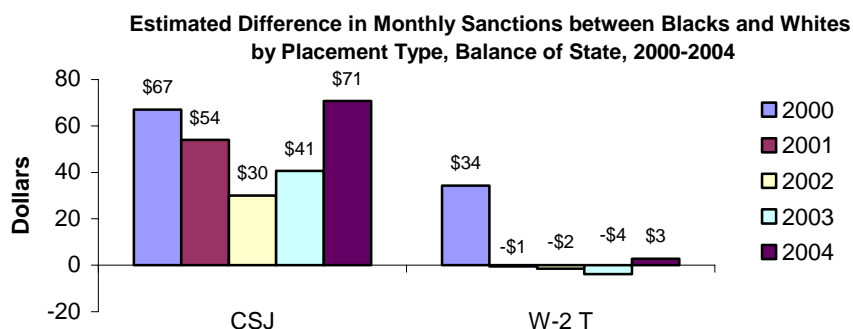
Milwaukee County:

- In 2000, black CSJ participants in Milwaukee County were sanctioned \$38 more than whites. By 2003, the difference between black and white CSJ participants almost disappeared, and in 2004, blacks were sanctioned \$13 less than whites.
- For W-2 T participants, racial differences in Milwaukee County were negligible from 2001 on.



Balance of State:

- Relatively large racial disparities persisted for participants in CSJ placements. In 2004, the estimated sanction for black participants in CSJ placements in the Balance of State was \$71 more than the amount for white participants, the largest disparity during the period studied.
- From 2001 through 2004 there were only slight racial differences for W-2 T participants.

**Hispanic-White Differences****Wisconsin:**

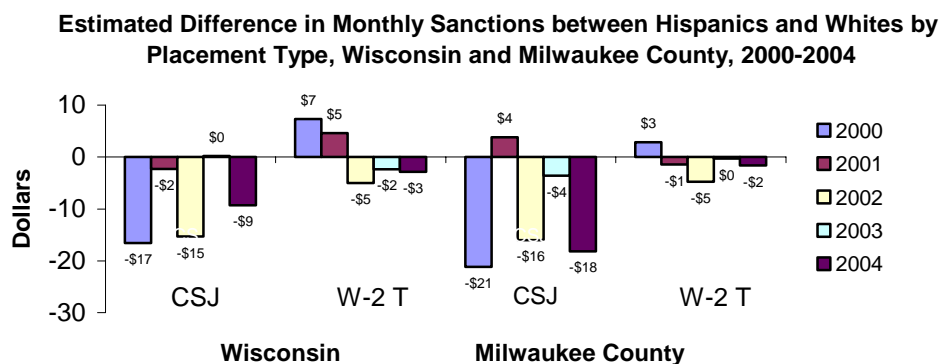
- Hispanic CSJ participants were sanctioned less than white participants in almost every year between 2000 and 2004.
- Among W-2 T participants, the differences between Hispanics and whites were generally small.

Milwaukee County:

- The general pattern of differences between Hispanics and whites in Milwaukee County is similar to that of Wisconsin as a whole, since about 90 percent of the state's Hispanic caseload resides there.
- Hispanic CSJ participants were sanctioned less than whites during most of the period studied, and the differences between Hispanic and white W-2 T participants were small.

Balance of State:

- While estimates of Hispanic-white differences in sanctions were calculated and can be found in the full report, these estimates are not reliable given the small number of Hispanics outside of Milwaukee County.



Update on Simple Means: Because the original study included information on the 2000- 2003 average sanction amounts by race, simple arithmetic means were also calculated for 2004. It should be noted, however, that these data (presented below) fail to control for other factors that affect sanctions.

Average Monthly Sanctions by Race and Placement for Wisconsin, 2004

	Placement Type	
	CSJ	W-2 T
Black	\$96	\$18
Hispanic	\$91	\$21
White	\$88	\$15

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